



UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics

WHAT AND WHERE ARE RURAL RESOURCES

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In a sense, I come to you as a fellow social worker. My work, like that of most of the work of the Department of Agriculture, is directly concerned with human welfare. That is why I am glad to be with you today and to discuss with you some of the facilities of the government that are available in our joint attempt to attain common goals. Particularly do I wish to discuss these facilities that appertain to and are available in rural areas and which, in part, are helping to solve some of the problems of present, widespread maladjustments.

It is my hope that from this talk you may be able to draw forth some ideas and to make some suggestions that will be of mutual benefit to us in our work.

Before embarking on the discussion of what facilities government has available in rural areas to help in the attack on present maladjustments, however, let us take a brief look at our rural conditions and what, in part, caused them.

Some of the factors contributing to present problems are long standing, others are not. Past land and agricultural policies are important factors. The greedy misuse of physical resources through long periods of expansion and exploitation is another. In fact, there is a long list of such factors---the final settlement of our physical frontiers; the increase of commercial and large-scale farming; over-cropping, overgrazing, the one-crop system; and the failure to control wind and water erosion have all taken a heavy toll from the soil and have handicapped, cumulatively, each succeeding generation of farmers.

Furthermore, the rapid advance of both technology and mechanization in farm practices; the migration of rural wealth to the cities; the world-wide growth of nationalism with subsequent loss of foreign markets; the decline in urban industrial opportunities for surplus rural populations; droughts; and the steady increase in farm population density, particularly in the less fertile areas, are some of the major factors which, coinciding with others, have brought conditions of widespread unemployment and poverty in rural areas.

Today, nearly 90 percent of all the farm products marketed are produced by only about 50 percent of our farms. This leaves only 10 percent of the market for the other half of the farms. In fact, on more than a million farms the factors of production (land, labor, capital and management) will not yield, at present prices, sufficient produce to gain a profit large enough to enable the operator to meet overhead charges and family requirements. On many additional farms, families are continuing to live only because they are mining rather than maintaining capital in the form of natural fertility of the soil. At least one-third of the 7,000,000 farm families in this Nation---approximately some 11,000,000 individuals--- "are now living on incomes so low"---as one writer states---"as to make them live under slum conditions."

We all know what the job opportunities are in the cities today---and what the number of unemployed is in urban population. No longer are cities absorbing the surplus population of our rural areas.

Every student of our farm problem knows that the so-called "agricultural ladder" is almost non-existent. The opportunities for young men to become farm laborers, then tenants and, finally, farm owners, are extremely few today as compared with a half-century ago. The present trend toward mechanization, and with it the trend in increase of the size of farms in some areas, limits these opportunities still more.

The number of farms owned by those who till the land on which they live has been getting smaller and smaller. In 1880 only 25 percent of our farm operators were tenants. By 1935 more than 42 percent of the farm operators were tenants.

During the past 30 years there has been a huge increase in farm mortgages. Whereas the value of all farm property -- which had increased 90 percent during the decade 1910 to 1920 -- fell, in 1933, to less than that of 1910, farm mortgages -- which had increased from $3\frac{1}{2}$ billion in 1910 to $9\frac{1}{2}$ billion in 1928 -- only fell off to $7\frac{1}{4}$ billion. This reduction of $2\frac{1}{4}$ billion dollars in the farm mortgage debt was due mostly to foreclosures. In fact, for years now, there has been an average of about 40,000 farm foreclosures annually. Meanwhile, interest payments have increased from 200 million in 1910 to double that amount in 1937.

If this increase in farm indebtedness is placed alongside the increase in tenancy we find that the total equity in the land held by those who cultivate it has declined sharply. It fell from 62 percent in 1880 to 39 percent in 1935.

Thus has the agricultural ladder been weakened. Even though the climb upward from farm land to farm ownership is still working -- it is working feebly -- the ladder has become a two-way ladder with more farm owners becoming tenants, and more tenants becoming farm laborers, and more and more farm laborers becoming migrants in search of work.

This struggle to force a living from the land and to raise the cash necessary to meet interest, notes and other payments, has resulted in misuse of land, and this misuse of land has, in part, produced poverty in large sections of our rural areas, while this poverty, in turn, has forced more misuse of land -- since hungry people are not apt to be conservation-minded or interested in planning for the future.

Less than three years ago more than $1\frac{1}{2}$ million males of productive age -- who considered themselves farmers, that is, owners, tenants, or laborers -- were totally unemployed, partially employed, or had only emergency employment. It has been estimated recently that by today this number has grown to more than $2\frac{1}{2}$ million. Last year, almost a million farm youths, 18 to 25 years of age, were without gainful employment. The cities could not use them and the farms of their fathers offered only meager employment, if any. Today, at least 350,000 American families -- more than a million men, women, and children -- are wandering from one part of the country to another, crossing and recrossing each other's paths, in a desperate effort to earn, at best, a shabby living as migrant farm laborers. As a nation we have been brought face to face with our problems. There can be no more running away from the shrinking resources of worn-out lands to the virgin resources of the frontier.

As these conditions dawned upon the Nation's consciousness, society as a whole began to believe that "something ought to be done." But we found ourselves with neither the social machinery nor the experience necessary for grappling with such maladjustments.

Nevertheless, because of public demand arising from these conditions, Congress and the State legislatures began to adopt new policies, and they proceeded to attack rural poverty by attempting to remove the factors that cause it.

Since 1933, many States have enacted important measures for the purpose of improving rural life; and Congress has passed more than a dozen major farm laws and many minor ones. Almost every department in Washington is charged with the responsibility and the administration of some program which, directly or indirectly, is aimed at the improvement of conditions in rural areas. My field, of course, is related to agriculture and I shall endeavor to confine my remarks to the activities of the Department of Agriculture.

More than 78 years ago, Congress created the Department of Agriculture. From time to time its responsibilities have been increased. It now performs functions relating to research, education, conservation, marketing, regulatory administration, rehabilitation, agricultural adjustments, and many other activities. This work includes research in agricultural chemistry and engineering, the industrial uses of farm products, agricultural economics, marketing, land use, crop and livestock improvement, production and manufacture of dairy products, home economics, and conservation of human and physical resources. The results of research are made available for practical farm application through extension and experiment station work in cooperation with the States.

Within this broad frame work, many bureaus, administrations, and divisions are dealing with specific problems and are charged with certain responsibilities -- all related to rural welfare.

It is my intention to discuss, briefly, the scope of operations and the activities of some of these agencies, particularly the resources that are available in rural areas upon which you may be able to draw at times for help in solving the many problems with which you are confronted in working with farm people.

The Agricultural Adjustment Administration administers the agricultural conservation and adjustment program of the Department. It makes direct payments to farmers to help meet the costs of better land use and to bring their incomes closer to a parity with other incomes. Specified payments are made to the farmer for shifting land from soil-depleting to soil-conserving uses and for adopting soil-building practices designed to conserve and safeguard the productivity of his land.

It also is in charge of the ever-normal granary program, which is designed to stabilize prices and production by giving commodity loans, marketing quotas, and crop insurance which can be paid for in the actual crop or its cash equivalent.

The Triple A program is administered in each county through county and community committees of farmers elected by producers participating in the program. Through this program hundreds of thousands of farm families who otherwise might be knocking at your doors for assistance have been able, through the payments which they earn, to take care of themselves. The Chairman of the local Triple A committee might be able to be of some help to you in connection with some of your rural cases, by pointing out how particular families might increase their incomes by adopting certain farming practices for which Triple A payments can be made.

Working in close cooperation with Triple A is the Soil Conservation Service. This agency promotes soil erosion control practices in agriculture through demonstration of practical soil-conserving measures in selected watershed areas. It also supervises the work programs of the Civilian Conservation Corps camps assigned to soil conservation activity, the treatment of public lands in the West, and active assistance to soil conservation districts organized under State laws.

It cooperates closely with other Departmental agencies in making surveys concerning proper flood and erosion control. Furthermore, it assists farmers and ranchers, in certain areas, in constructing and installing water facilities, such as stock ponds, stock tanks, pumps, windmills, and the development of farm forestry and other conservation plans. You are, of course, familiar with the opportunity which the Civilian Conservation Camps offer you in helping to solve the problems of some families. In areas where the SCS is carrying on extensive operations they also make available part-time employment opportunities to members of farm families. Probably the main way that the Soil Conservation Service is making a contribution to families under your care is showing them how to adopt conservation practices on their farms which will enable them to become self-supporting.

The Forest Service, in many instances, finds much of its activity closely allied to SCS and rural conservation work. In addition to administering the National Forests, it, too, advises with farm groups and aids them in scientific methods of growing and harvesting timber. The management and proper maintenance of grazing lands, recreational areas and wildlife preserves are also part of its duties. This agency also supervises a large number of Civilian Conservation Corps Camps.

Doubtless all of you are already familiar with the nation-wide work of the Extension Service. This branch of the Department cooperates with the State agricultural colleges and coordinates the extension activities of the various bureaus with the colleges. There are thousands of county agricultural extension agents and county home demonstration agents. They are cooperatively employed by both the Department and the State -- and, in some instances, the county.

Thus, information from the Department, the State Agriculture colleges, and other research agencies, are made available to the Nation's farmers through the office of the county agent.

In a similar manner, rural women are kept in touch with advancements in home economics by the county home demonstration agents of the Service. As a rule, the women demonstration agents also serve in an advisory capacity on local relief matters.

Both the men and the women agents assist in an advisory manner in rural rehabilitation programs. And rural boys and girls are taught how to apply and demonstrate improved home and farm practices as members of the various 4-H Clubs conducted by these county agents.

In addition to their regular activities as general farm advisors, county agricultural agents serve as the educational field force for the Triple A. They also advise farmers in matters of farm credit. These agents, both the men and the women, should be able to be helpful in connection with the farm and home problems of rural families with whom you are working.

The Farm Credit Administration was created to provide a complete and coordinated credit system for agriculture by making long-term and short-term credit available to farmers. It grants emergency crop and feed loans to those who are unable to obtain the loan elsewhere. It also provides credit facilities for farmers' cooperative marketing, purchasing, and business service organizations. Directly, and through its 12 Federal land banks in each of the 12 farm credit districts, it grants long-term, low-interest-rate, amortized loans to persons who give as security first mortgages upon their farms and who agree to repay the loans in annual or semi-annual installments. Information concerning this service can be obtained from the county agent or the secretary-treasurer of the national farm loan association. This association is represented in almost every community.

Three other agencies do related work, although each operates upon a different basis. The Commodity Credit Corporation in cooperation with the Reconstruction Finance Corporation, makes loans to producers to finance the carrying and orderly marketing of farm products. Such loans have been made on cotton, corn, gum turpentine and gum rosin, wool and mohair, wheat, peanuts, tobacco, raisins, dates, figs, prunes and butter.

The Rural Electrification Administration, also in cooperation with RFC, makes loans for the purpose of installing transmission lines, wiring, appliances and plumbing in rural areas. No loans are made directly to the consumer, but are made to cooperatives, states, political sub-divisions and corporations. In addition to its regular work, this agency has developed a special type of limited service for low-income farm families at rates which they can afford.

As many of you are no doubt aware, the Bureau of Home Economics is primarily interested in research to determine qualities of farm products for consumer needs and satisfaction. It also makes research into the needs of families for food, clothing, housing, equipment; aids homemakers in their problems of household buying; adequacy of diets of farm, village and city families as guides to farm production. Improved home-farm management and ways of raising levels of living of farm families through improvement of rural housing, better food plans, and spending programs are also studied. This Bureau works very closely with the Extension Service, the Office of Education, and the Farm Security Administration.

Possibly the division of the Department of Agriculture with which you are most familiar is the Farm Security Administration. Because of the nature of its activities, the FSA comes in close contact with the disadvantaged and low-income families of rural America. The program as a whole is designed to give farm families on relief, or near the relief level, an opportunity to improve their condition and once more to become self-dependent citizens. It is aimed at higher standards of living for these people and a greater degree of security for the future.

Under the Farm Tenant Aid phase of its program, the FSA makes loans to competent farm tenants, sharecroppers and farm laborers to enable them to become farm owners. County committees, composed of three farmers appointed by the Secretary of Agriculture, are authorized to examine applications for such loans, and to recommend applicants who have the character, ability and experience to make successful farm owners. The FSA gives farm and home management assistance to the borrowers under this tenant purchase program.

Another phase of the FSA program is that of administering full-time farming resettlement projects and subsistence homesteads projects. In the rural resettlement projects, needy farm families have been given the opportunity to make a living on farms provided by the government. Low-income farm families who lease or purchase these farms are finding security and peace of mind for the first time in many years. Through the subsistence homesteads projects, homes located on from 3 to 5 acres of land have been provided to industrial workers. This small amount of land enables them to supplement their regular incomes by subsistence farming and also to enjoy the benefits of living in the country.

The rural rehabilitation program of the Farm Security Administration, the largest program administered by this agency, has been of service to more than a million farm families during the past five years. While grants of direct relief and emergency loans have been made to thousands of needy families by this agency, the main part of the program has been concerned with assisting what are called "standard cases". County Rehabilitation Supervisors, some trained in Farm management and some with home management training, with the help of county committees, assist applicants for "standard loans" in analyzing their needs and in working out

a program for their rehabilitation. The families, with the assistance of the supervisors, prepare farm and home plans for the year's operations. These plans provide for careful budgeting of expenditures and estimating probable income. A Standard loan is made to finance necessary purchases of livestock, machinery, seed, fertilizer, household equipment, and other items needed to assure the soundness of the plan. These loans, which average about \$350, usually are repayable within a period of 5 years. Credit of this type is one of several devices used in the rehabilitation process. The farm and home management guidance is one of the most important factors in rehabilitation. Home production of food and canning it for winter use, has contributed to rehabilitation success.

Another rehabilitation device which has been very effective is that of debt adjustment. The FSA has helped many thousands of debt-burdened farmers to save their farms and homes through the efforts of voluntary county debt adjustment committees, in an attempt to bring farmers and their creditors together in an effort to scale down debts within the ability of the farmers to pay.

The use of cooperative techniques has also been an important factor in rehabilitation. Many farmers find themselves operating units too small to support the necessary farm machinery, purebred sires and many other services. By cooperating with other small farmers they can obtain cooperative loans from the FSA which enable groups of farmers to own and use cooperatively certain farm implements, tractors, purebred sires, seed cleaning equipment and many other items needed on the farm. In a few experimental cases groups of farmers are carrying cooperation a step further by engaging in cooperative farming on large tracts of land.

The lack of adequate medical care in many rural areas, particularly among low-income farmers is well known by the members of this Conference. Ill health has been proved to be one of the main factors in causing farm families to be in need of public assistance. The Farm Security Administration has found that the provision of adequate medical care has been one of the prerequisites for rehabilitation success. With the cooperation of local medical societies the Farm Security Administration has assisted groups of low-income farmers in approximately 500 counties in organizing cooperative health associations, which provide prepaid medical care at a cost which low-income farmers can afford. The FSA has carried on another extensive health program, particularly in the South, to provide for the construction of sanitary privies, the screening of houses and the provision of pure drinking water.

Through its camps, both permanent and portable, FSA is helping thousands of migrant farm laborers and their families. Twelve of these camps are located in California, three in Arizona, four in Texas, two in Idaho, two in Florida and one each in Oregon and Washington. Most of the camps have a children's clinic and nursery, an isolation ward, and a small shop where the migrants can repair their automobiles; a few of the camps have temporary school buildings. About six portable camps are now in operation.

In addition to these services, FSA is now experimenting with "labor homes" which are being built near some of the permanent camps. These homes, including an acre or two of land, are rented to farm laborer families. The land gives them an opportunity to raise some food for family consumption. Even though these families may have to migrate during a portion of the year, they at least have a permanent home to which they may return. Often the mother and children can remain at home during a portion of the year. This arrangement interferes much less with the schooling of the children, and gives the family a much greater sense of stability and security.

FSA is represented throughout most of rural America. In every State, and in most of the 3000-odd agricultural counties of the Nation, there is an FSA program in operation. Through its broad scope of interests it has attempted to benefit all types of disadvantaged farm families.

Most of you, no doubt, are familiar with the Food Stamp Plan which is administered by the Federal Surplus Commodities Corporation of the Department of Agriculture. In addition to its regular program of purchasing and distributing surplus farm products through State welfare agencies, this corporation is now distributing surplus commodities in 68 areas under the Stamp Plan. More than 1,000 cities have placed requests for this service. Surplus cotton goods, in addition to surplus foods, are now being consumed under the Stamp Plan in certain experimental areas. Briefly, this is the way the Food Stamp Plan works:

1. Studies indicate that persons getting public assistance spend an average of about \$1.00 a week per person for food.
2. On a voluntary basis, such persons may buy a minimum of \$1.00 worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.
3. Persons buying orange stamps receive half as many blue stamps free. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store, but for foods found to be "in surplus" by the Secretary of Agriculture.
4. Under the Stamp Plan persons receiving public aid have seven and one-half cents to spend for each meal rather than the five cents a meal they formerly spent.

The idea is to eat the surplus. That improves farm income as well as the public health. Already 1,300,000 persons are participating in the plan. Spot studies have indicated quite phenomenal increases in the consumption of butter, eggs, vegetables, fruits, and other foods by the low-income families using stamps.

Participation figures by categories show that cases on local relief take the greatest advantage of the Food Stamp Plan, with 72% of the certified cases participating; Commodity Only cases are next with 70%, WPA with 66.4%, and Social Security with 51.7%. Local relief cases make up 35.6% of all participants, WPA 34.5%, Social Security 25.2%, Commodity Only 4.5%, and all other cases .2%.

In the beginning, the Department of Agriculture had not been organized as an agency to carry vast action programs to the farmers of the country. Primarily, its work was one of research and education, with responsibility for administering part of the public lands and some of the regulatory work of government.

After 1933, as I have already mentioned, when new agencies were created and old ones were expanded to meet the new demands on government, it was found that the type of organization that had proved useful before was not suited for the new tasks. As each new program was added, problems of administration increased.

Realizing this fact, the Department cast about for some means by which a more complete and harmonious functioning could be attained between the action agencies in the field. What the Department desired was a more cooperative method of planning for public action between rural people and program administrators.

Changes were made within the Department which increased its already extensive cooperation with the farmers, the States, and the Land-Grant Colleges. These changes were shaped around the creation of the State and Local land use planning organization, which consists of community, county and State planning committees, composed of farmers and Department representatives. As a part of the Department's reorganization plan, the Bureau of Agricultural Economics was changed considerably

in order that it might perform a general planning and integrating function in addition to that of research and the diffusing of economic information. This bureau works in close relationship with the State and local planning committees, and with all the bureaus of the Department. It encourages farmer participation in the formulation of agricultural plans. Furthermore, through its own divisions, it conducts basic economic research in farm management and practice, farm population and rural welfare, farm labor, tenancy, farm finance, insurance, taxation, marketing, transportation of farm products, rural opinions and attitudes, adjustments in production to probable demand for farm products, and land economics. Through its Division of Information, the results of such research are made available to the State and local planning committees, and to other bureaus and Departments of the Federal Government, to States and counties and to the public at large.

The State and county land use planning committees are making a real contribution in bringing about a better coordinated and integrated approach to farm problems. More than 70,000 farm men and women in 1120 counties are cooperating in this planning work as members of county and community committees. Technicians located in the various areas also participate in the discussions in the committee meetings. Farmers and "experts" sit down together and try to think through various problems.

Usually the first work of these committees consists of getting together basic factual material on land use, on soil surveys and land use classification, on ownership and operating unit maps, and on type of farming areas. Soon many of them find themselves concerned with problems of people related to size of farms, location of relief and rehabilitation clients, tax delinquency, education, public health and many others. The county committees make reports to the state committees containing recommendations as to what should be done in their areas. The state committees pass these on to the Agricultural Colleges and to the Department of Agriculture in Washington. These reports have proved to be very helpful in building and bringing about needed changes in national programs.

Rural social workers, I am sure, will find much to interest them in the work of these community, county and state planning committees. At times you may be able to get these committees to give consideration to problems confronting you in your own work. Also, at times, you may be able to supply such committees with information of great value to them. I am sure that these committees will be glad to have a close relationship with social workers in their areas.

I have tried to outline, briefly, what some of our rural problems are -- and what one Department of the Federal Government is doing to alleviate, at least in part, some of the more acute conditions now existing. We have seen that rural poverty is not a depression problem alone. Deep-seated causes of long standing have been partly responsible. Much has already been done in alleviating and preventing rural poverty. I, for one, believe that much more can and will be done.

A substantial rural housing program is greatly needed. We should find some means of putting the farm unemployed to work today conserving the soil and forest resources upon which they will have to depend for a living tomorrow. There is a crying need for improvement in educational and health facilities in rural areas. Rehabilitation efforts should be expanded. Some of the evils in our tenancy system should be attacked vigorously.

In a society as complex as ours, subject to the rapid changes that have become a part of our culture, no one type of action is going to solve all of our farm problems. But with farm people, social workers, agricultural technicians, and program administrators all working and planning together, we need not move toward our common objective unwisely or unprepared.

Poverty is not necessary in a country such as ours. Our national resources are sufficient to give every person a decent standard of living.

You social workers -- and we in the Department of Agriculture -- can do much to aid in the movement toward the goal of a decent standard of living for all.

